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## **Kunming Dianchi Water Treatment Co., Ltd.**

### **昆明滇池水务股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3768)**

## **DISCLOSEABLE TRANSACTION ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT FOR EXTENSION OF TERM OF THE ASSET MANAGEMENT AGREEMENT**

### **THE SUPPLEMENTAL AGREEMENT FOR EXTENSION OF TERM OF THE ASSET MANAGEMENT AGREEMENT**

Reference is made to the Company's announcement dated 29 September 2021 which disclosed that the Company (as the asset entrustor) entered into the Mutual Trust No. 5 Asset Management Agreement with Bosera Capital (as the asset manager) and China Merchants Bank (as the asset trustee) on 29 September 2021 in relation to the investment and management of the Entrusted Assets, pursuant to which the Company agreed to entrust an amount of RMB300 million as the Entrusted Assets, mainly for the purpose of investing in the credits of accounts receivable held by KADI for a term of 3 months. Pursuant to the Mutual Trust No. 5 Asset Management Agreement, the term of the Mutual Trust No. 5 Asset Management Agreement may be early-terminated or extended upon agreement of the parties.

The Board announces that, after arm's length negotiations, the Company (as the asset entrustor) entered into a supplemental agreement in relation to the extension of the term of Bosera Capital Mutual Trust No. 5 Single Asset Management Plan with Bosera Capital (as the asset manager) and China Merchants Bank (as the asset trustee) on 31 December 2021 (after trading hours) regarding the Mutual Trust No. 5 Asset Management Agreement, extending the term of the Mutual Trust No. 5 Asset Management Agreement and the asset management plan thereunder to 10 April 2022. Except for the amendments agreed in the Mutual Trust No. 5 Supplemental Agreement, all other terms and conditions of the Mutual Trust No. 5 Asset Management Agreement remain unchanged.

### **LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Mutual Trust No. 5 Supplemental Agreement are more than 5% and less than 25%, the entering into of the Mutual Trust No. 5 Supplemental Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board announces that, after arm's length negotiations, the Company (as the asset entrustor) entered into a supplemental agreement in relation to the extension of the term of Boser Capital Mutual Trust No. 5 Single Asset Management Plan with Boser Capital (as the asset manager) and China Merchants Bank (as the asset trustee) on 31 December 2021 (after trading hours) regarding the Mutual Trust No. 5 Asset Management Agreement, extending the term of the Mutual Trust No. 5 Asset Management Agreement and the asset management plan thereunder to 10 April 2022. Except for the amendments agreed in the Mutual Trust No. 5 Supplemental Agreement, all other terms and conditions of the Mutual Trust No. 5 Asset Management Agreement remain unchanged.

**1. MUTUAL TRUST NO. 5 SUPPLEMENTAL AGREEMENT**

Salient terms of the Mutual Trust No. 5 Supplemental Agreement are set out below:

- Date: 31 December 2021
  
- Term: The maturity date of the Mutual Trust No. 5 Asset Management Agreement is extended from 30 December 2021 to 10 April 2022
  
- Parties:
  - (i) the Company, as the asset entrustor;
  
  - (ii) Boser Capital, as the asset manager; and
  
  - (iii) China Merchants Bank, as the asset trustee.

Except for the amendments agreed in the Mutual Trust No. 5 Supplemental Agreement, all other terms and conditions of the Mutual Trust No. 5 Asset Management Agreement remain unchanged.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as of the date of this announcement, both Boser Capital and China Merchants Bank are third parties independent from the Company and its connected person(s).

## **2. REASONS FOR AND BENEFITS OF THE TRANSACTION**

By entering into the Mutual Trust No. 5 Supplemental Agreement and extending the term of the Mutual Trust No. 5 Asset Management Agreement, the Company's rate of return of its cash and cash equivalents will continue to increase, thereby continuing to improve the Company's investment gain and profit earnings.

The terms of the Mutual Trust No. 5 Supplemental Agreement were negotiated by the parties on an arm's length basis. The Directors are of the view that the terms of the Mutual Trust No. 5 Supplemental Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **3. GENERAL INFORMATION**

### **The Company**

The Company is a leading municipal wastewater treatment and reclaimed water supply services provider in Yunnan Province, the PRC, an integrated water-related services (including running water supply service) provider and a core enterprise implementing the PRC's strategic goal to treat pollutants at Dianchi Lake.

### **KADI**

KADI is a state-owned enterprise owned as to approximately 90% by the State-owned Assets Supervision and Administration Commission of the Kunming People's Government, which is principally engaged in investment and construction of agricultural industrialization projects, investment and construction of agricultural water conservancy and irrigation projects, land consolidation, development and investment, development and investment in elderly care and funeral industries and other agricultural and livelihood service industries.

### **Bosera Capital**

Bosera Capital is a China-based financial institution that focuses on specific-asset management such as primary-market investment, asset securitization, and other CSRC-licensed businesses.

### **China Merchants Bank**

China Merchants Bank is a China-based financial institution that mainly engages in taking public deposits and providing loans and other activities.

## **4. LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Mutual Trust No. 5 Supplemental Agreement are more than 5% and less than 25%, the entering into of the Mutual Trust No. 5 Supplemental Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## 5. DEFINITIONS

In this announcement, unless context otherwise requires, the terms listed below have the following meanings:

“Board”	the board of Directors
“Bosera Capital”	Bosera Capital Management Co., Ltd.* (博時資本管理有限公司), a third party independent from the Company and its connected person(s)
“China Merchants Bank”	Kunming Branch of China Merchants Bank Company Limited, a third party independent from the Company and its connected person(s)
“Company”	Kunming Dianchi Water Treatment Co., Ltd. (昆明滇池水務股份有限公司), a joint stock company incorporated in the PRC with limited liability on 23 December 2010, and its H Shares are listed on the Stock Exchange (stock code: 3768)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Entrusted Assets”	the entrusted assets of an amount of RMB300 million to be entrusted by the Company under the Mutual Trust No. 5 Asset Management Agreement
“KADI”	Kunming Agricultural Development Investment Co., Ltd.* (昆明農業發展投資有限公司), a state-owned company with limited liability incorporated in the PRC on 29 June 2009, and it is owned as to approximately 90% by the State-owned Assets Supervision and Administration Commission of the Kunming People’s Government. It is not a connected person as defined under the Listing Rules as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and otherwise modified from time to time
“Mutual Trust No. 5 Asset Management Agreement”	the asset management agreement for Bosera Capital Mutual Trust No. 5 Single Asset Management Plan dated 29 September 2021 entered into by the Company (as the asset entrustor), Bosera Capital (as the asset manager) and China Merchants Bank (as the asset trustee)

“Mutual Trust No. 5 Supplemental Agreement”	the supplemental agreement in relation to the extension of the term of Boser Capital Mutual Trust No. 5 Single Asset Management Plan dated 31 December 2021 entered into by the Company (as the asset entrustor), Boser Capital (as the asset manager) and China Merchants Bank (as the asset trustee)
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Kunming Dianchi Water Treatment Co., Ltd.**  
**Zeng Feng**  
*Chairperson and executive Director*

Kunming, the PRC, 31 December 2021

*As of the date of this announcement, the Board comprises Mr. Zeng Feng, Mr. Chen Changyong and Mr. Luo Yun, as executive Directors; Ms. Song Hong, Ms. Ren Na and Ms. Yu Yanbo, as non-executive Directors; and Mr. Yin Xiaobing, Ms. Zheng Dongyu and Mr. Ong King Keung, as independent non-executive Directors.*

\* *For identification purpose only*